

# Depomed rejects Horizon's latest takeover offer

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Depomed Inc. on Monday rejected Horizon Pharma PLC's sweetened \$2.4 billion hostile takeover offer, saying it still undervalues the company, and recommended that its shareholders reject the bid.

Horizon had raised its offer by about \$300 million in July after Depomed rejected its first offer, and took the new bid directly to Depomed's shareholders.

Dublin-based Horizon Pharma makes the rheumatoid arthritis drug Duexis. Depomed has a portfolio that includes the migraine drug Cambia and the painkiller Nucynta ER.

On Sept. 8, Horizon said it would exchange 0.95 of its shares for each Depomed share. It says the offer is worth \$33 per share, a 60 percent premium to the \$20.64 closing price of Depomed stock in early July, before Horizon went public with its first acquisition proposal.

Newark, California-based Depomed disputes the value of Horizon's offers, saying they're not as generous as Horizon says they are. According to Depomed the new offer values it at about \$28 per share. Horizon valued its initial offer at \$2.1 billion, or \$29.95 per share.

Depomed's board also has adopted a "poison pill" measure that aims to thwart a hostile takeover attempt by essentially making it too expensive.

Horizon, which owns a 3.7 percent stake in Depomed, is also asking that

drugmaker's stock owners to call special meetings to vote on replacing its board of directors.

This comes more than a month after Horizon asked Depomed to set a shareholder vote on its bid and filed a lawsuit challenging the poison pill provision.

Shares of Depomed rose 18 cents to \$27.51 on Monday and Horizon Pharma shares added 3 cents to \$29.02.

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